

partial payback for certain wastewater plant transfers. Legislation is needed to address this issue in law and provide certainty to communities for planning.

Finally, the Tax Code also hinders private investments in wastewater treatment facilities. In order to stimulate public/private partnerships for wastewater treatment, it is essential to ensure that Federal tax provisions do not discourage private sector investment and long-term operation of treatment plants. The changes to the Tax Code I have in mind are appropriate for wastewater treatment facility public/private partnerships because these transactions will not alter the original public purposes served by wastewater treatment facilities—providing wastewater services to communities. I would be delighted to provide my colleagues with details of these important changes.

Legislative initiatives seeking to address some of these problems have been undertaken, but they are either trapped in a more comprehensive bill or address a broad array of public/private partnerships extending well beyond wastewater treatment. Moreover, none of the initiatives thus far addresses the significant disincentives created by provisions of the Tax Code.

The House has taken steps to address some of these points. The Clean Water Act Amendments of 1995, H.R. 961, passed by the House a year ago, includes provisions that statutorily define public owned treatment works so that regulations are based on the purpose and actual operations of a wastewater treatment facility rather than the identity of its owner. It would provide the legal certainty necessary for State and local governments to transfer wastewater treatment facilities to qualified private sector companies. In addition, it provides for a grant repayment approach whereby the State and local governments are able to recover their investment in the wastewater treatment facility, and then are only required to repay the undepreciated portion of any Federal grants. While the House provision on grant repayment is a step in the right direction, I believe that the Federal-aid Facility Privatization Act, S. 1063, of which I am a cosponsor, takes a better approach to the difficult problem faced by municipalities that are confronted with deteriorating infrastructure of all kinds, obsolete technology, tougher regulatory requirements, and a shortage of funds to finance and operate the wide variety of essential infrastructure projects that need improvement. S. 1063 improves on the House grant repayment provision by allowing total forgiveness of those grants. The local governments are really the best ones to decide how to use the money the Federal Government has given them for public purposes.

Mr. President, I would hope that my colleagues will consider this matter carefully, and that we can get together and do it soon. It should be a win-win

for everyone. Removing the Federal obstacles to public/private partnerships for wastewater treatment does not cut government service, it only cuts government restrictions and burdens—something we in America need to be doing. Doing so will also save money, yield environmental benefits, and serve as a pilot for similar challenges by fostering an innovative, market-based approach without increasing the burden on State and local governments.

FISCAL YEAR 1997 BUDGET RESOLUTION

Mr. DOLE. Mr. President, soon the Senate will act on the conference report on the fiscal year 1997 budget resolution. I had hoped that the Senate could have passed this conference report by today, but final action will occur soon.

When the Senate passes the fiscal year 1997 budget resolution, it will be doing important work because no policy is more important to the economic future of all Americans, and particularly to the future of our children, than a balanced budget.

We will also be fulfilling our promise to the American people to balance the budget by the year 2002. I am proud of our achievement in keeping our promise to the American people and I am proud of this budget.

The fiscal year 1997 budget resolution balances the Federal budget in 6 years.

It reduces overall Federal spending by more than \$700 billion over the next 6 years.

It provides family tax relief of \$122 billion for a \$500-per-child tax credit to help America's working families.

It provides for real welfare reform.

And it would prevent the Medicare program from pending bankruptcy. The Medicare trustees reported last week that Medicare is going broke more quickly and in this budget we save Medicare from bankruptcy in the year 2001.

That's why this is a good conference agreement. It represents some compromises between the House and the Senate. No one got everything they wanted. But it's the right budget for now and for putting us on strong course for the next century.

Mr. President, it is no small accomplishment that all of us now agree that the budget should be balanced by the year 2002. That's a big change from this time last year when we were debating the budget. Now it's not just Republicans saying it, but all of us, from Republicans to blue dog Democrats to the President. That in itself is good news for America.

But we're not there yet. Last year we passed the first balanced budget in a generation. But President Clinton vetoed it.

I hope all Senators will support this budget resolution to finally get the job done. This budget will help define for the American people which of us are for more Washington spending and

which of us are for less Washington spending; which of us are for more taxes and which of us are for less taxes. And most importantly, which of us are willing to do what's necessary to stop the stranglehold that the deficit places on our economic future.

Some say deficits don't matter. But the fact is that the Federal budget deficit is like a tax hike on working families.

The deficit drives up interest rates—and not by a little but by a lot. It is a stealth tax that every family with a home, every father and mother with a child in college, every young person who buys a car must pay, and pay, and pay.

What does this stealth tax cost in dollars? Over \$36,000 on a typical home mortgage. More than \$1,400 on an ordinary student loan. Nearly \$700 on a typical car loan.

Remember that in 1994, the Federal Government spent \$203 billion in interest on the Federal debt—more than it spent on education, job training, public works, and child nutrition combined. In 1994, Americans paid an average of \$800 per person in taxes just to service interest on the debt—again, not to pay off the debt or even to reduce the debt, just to pay the interest on the debt.

We simply cannot continue to mortgage America's future. If we continue current tax and spending policies, future generations will be saddled with effective tax rates of more than 80 percent.

Mr. President, let's do what's right. Let's pass the fiscal year 1997 budget resolution. Let's do everything we can this year to preserve the American dream of economic security for future generations of Americans. Our children and our grandchildren deserve no less from us.

Mr. President, I yield the floor. I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. DOLE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

ORDER OF PROCEDURE

Mr. DOLE. Mr. President, let me indicate in advance, I want to get consent in a second to proceed to some nominations. There are 34. We are still trying to clear others. I still hope we can clear some of the judges. I ask my friends on both sides of the aisle to see if they cannot come together here in the next hour or two and free up many of the judicial nominations. But we are making progress. I think this is some indication of that. I thank my colleagues and Senator DASCHLE and his colleagues.